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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

In re:	:	Bankruptcy No. 04-28075 WTT
	:	Chapter 7
EUROGAS, INC.,	:	
Debtor.	:	

**FINAL APPLICATION FOR ALLOWANCE OF
COMPENSATION BY McKAY, BURTON & THURMAN,
COUNSEL FOR THE TRUSTEE**

TO THE HONORABLE WILLIAM T. THURMAN, UNITED STATES BANKRUPTCY JUDGE:

The application of McKay, Burton & Thurman respectfully represents as follows:

A. Background.

1. This case was commenced by an involuntary petition for relief under Chapter 7 of the Bankruptcy Code on May 20, 2004 filed by the Estate of McKenzie Energy Corp., U.S. Estate of LaPlata Pipeline Co., Estate of Harven Michael McKenzie, Estate of Timothy Stewart McKenzie, and Estate of Steven Darryl McKenzie. Joel T. Marker has been appointed and is serving as the permanent Chapter 7 Trustee.

2. McKay, Burton & Thurman has represented the Trustee since December 5, 2005 pursuant to an order entered December 16, 2005. McKay, Burton & Thurman received no retainer at the time of its entry of appearance in this case on behalf of the Trustee.

3. In this application McKay, Burton & Thurman seeks compensation for services rendered as attorneys for the Trustee during the period December 5, 2005 through September 29, 2006. The firm has not filed any previous fee applications in this case.

4. The following attorneys employed by McKay, Burton & Thurman have rendered services in this case:

a. Joel T. Marker is a 1984 graduate of the University of Utah College of Law and a member of the Utah State Bar. Mr. Marker has specialized in bankruptcy law for 22 years. Mr. Marker's billing rate for the period covered by this application is \$250.00 per hour.

b. Stephen W. Rupp is a 1981 graduate of the University of Utah College of Law and a member of the Utah State Bar. Mr. Rupp has specialized in bankruptcy law for 25 years. Mr. Rupp's billing rate for the period covered by this application is \$235.00 per hour.

c. Jeremy C. Sink is a 2002 graduate of Creighton University College of Law in Omaha, Nebraska and a member of the Utah State Bar. Mr. Sink has specialized in bankruptcy law for over four years. Mr. Sink's billing rate for the period covered by this application is \$135.00 per hour.

B. Case Status.

5. The estate's current cash balance is \$717,044.23, all of which is unencumbered and available to pay administrative expenses.

6. Other than contemporaneous fee applications filed by the Trustee's professionals, the applicant is unaware of any substantial accrued but unpaid Chapter 7 administrative expenses in addition to those described in this application.

7. The Trustee will file a final report within 30 days.

C. Project Summary.

8. During the period for which this application is made McKay, Burton & Thurman has consulted with and advised the Trustee concerning the rights, powers and duties of a

trustee under Chapter 7; has represented the Trustee in all proceedings before this Court; has prepared pleadings, notices and other documents for the Trustee as required by the Court or the applicable provisions of the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and the Local Rules of this district. In all respects McKay, Burton & Thurman has acted as the Trustee's attorney in this case.

9. During the period for which this application is made McKay, Burton & Thurman has also performed the following services:

a. The firm advised the Trustee and drafted pleadings to authorize the sale of previously undisclosed subsidiaries holding speculative interests in oil and gas fields in Poland.

b. The firm investigated the property rights of foreign subsidiaries and provided due diligence packages to parties interested in bidding on the estate's interest in such subsidiaries.

c. The firm represented the Trustee at hearings on sale related matters (including an attempt by a disgruntled bidder to upset the confirmed sale) and at the auction for the estate's interest in certain undisclosed subsidiaries, which resulted in sale proceeds of \$715,000 to the estate.

d. The firm drafted assignments, releases and other documents necessary to close the sales authorized by the Court.

Attached hereto as Appendix 1 and incorporated by this referenced is a detailed itemization of the services performed by McKay, Burton & Thurman as attorneys for the Trustee during the period December 5, 2005 through September 29, 2006, showing the services rendered, the attorney who performed the service, and the amount of time expended, all in accordance Bankruptcy Code section 330.

D. Summary of Services.

10. The cost of services rendered by the attorneys and staff of McKay, Burton & Thurman is comparable to the cost of like services customarily rendered by attorneys in Salt Lake City, Utah, for similar work performed on behalf of private clients in cases other than cases under the Bankruptcy Code.

11. The following is a summary of the time expended by each employee of McKay, Burton & Thurman, the hourly rate for each individual and the total compensation amount requested for each individual by this application:

<u>Professional</u>	<u>Hours</u>	<u>Hourly Rate</u>	<u>Extended Amount</u>
Joel T. Marker	102.40	250.00	25,600.00
Stephen W. Rupp	14.50	235.00	3,407.50
Jeremy C. Sink	6.00	135.00	810.00
TOTAL:	122.90		\$29,817.50

12. The undersigned shareholder of McKay, Burton & Thurman hereby certifies that the Trustee has received, reviewed and approved this application.

WHEREFORE, McKay, Burton & Thurman respectfully requests:

1. An order allowing payment of compensation to McKay, Burton & Thurman for actual and necessary services rendered in the amount of \$29,817.50 for the period

December 5, 2005 through September 29, 2006, in accordance with Bankruptcy Code sections 330 and 331; and

2. For such other and further relief as the Court deems appropriate.

DATED this 2nd day of October, 2006.

McKAY, BURTON & THURMAN

By: _____/S/_____
Joel T. Marker
Attorneys for Joel T. Marker, Trustee

**Summary of Time and Expenses of the Law Firm of McKay, Burton & Thurman
December 5, 2005 through September 29, 2006**

In re:	Chapter 7	Fees Previously Requested	\$0.00	NAME OF APPLICANT:	McKay, Burton & Thurman
Eurogas, Inc.,	Case No. 04-28075	Fees Previously Awarded	\$0.00	ROLE IN THE CASE:	Attorneys for Trustee
Debtor.		Expenses Previously Requested	\$0.00		
		Expenses Previously Awarded	\$0.00		
		Retainer Paid	\$0.00	CURRENT APPLICATION	
				Fees Requested	\$29,817.50
				Expenses Requested	\$0.00

FEE APPLICATION

NAMES OF PROFESSIONALS/ PARAPROFESSIONALS	YEAR ADMITTED TO PRACTICE	HOURS BILLED		RATE	TOTAL FOR APPLICATION
		CURRENT APPLICATION			

SHAREHOLDERS

Joel T. Marker	1984	102.40	\$250.00	\$ 25,600.00
Stephen W. Rupp	1981	14.50	\$235.00	3,407.50
Jeremy C. Sink	2002	6.00	\$135.00	810.00

<u>TOTAL</u>		122.90		\$29,817.50
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Time Sheet Report

McKAY, BURTON & THURMAN
Period: 01/01/00 - 02/24/07

Case 04-28075 Doc 139 Filed 10/02/06 Entered 10/02/06 10:03:02 Desc Main Document

Case No: 04T-28075		Case Name: Eurogas		Petition Date: 05/18/04		
Case Type: Assets		Judge: William T. Thurman		341a Meeting: 11/23/04 02:30PM		
Category	Staff Name	Date	Description	Hours	Rate	Total
Asset Disposition	Joel T. Marker	12/05/05	Review and respond to sale proposal and specific terms.	0.80	250.000	200.00
		12/07/05	Review Smith 2004 pleadings and calendar dates.	0.20	250.000	50.00
		12/07/05	Telephone conference Storm regarding sale process.	0.20	250.000	50.00
		12/15/05	Review revised agreement to sell interest in subsidiaries and outline sale pleading issues.	0.70	250.000	175.00
		12/23/05	Telephone conference Weisbart regarding sale procedure.	0.20	250.000	50.00
		12/27/05	Review docket and files and outline and draft motion to sell assets to Consolidated, subject to higher bids.	5.20	250.000	1,300.00
		12/28/05	Second draft of sale motion.	2.10	250.000	525.00
		12/28/05	Revise sale motion and forward to Weisbart for comment.	0.80	250.000	200.00
		12/29/05	Review files and fax to Weisbart and assemble notice list.	0.70	250.000	175.00
		12/29/05	Telephone conference Freeman regarding bid process.	0.20	250.000	50.00
		12/31/05	Review Consolidated 60(b) motion and exhibits.	0.60	250.000	150.00
		12/31/05	Revise sale motion and form of notice.	1.30	250.000	325.00
		01/03/06	Revise all pleadings and notices, set hearing and coordinate service on parties in interest, including email service of pdfs.	2.60	250.000	650.00
		01/04/06	Review Smith/Consolidated stipulation and notes to file.	0.20	250.000	50.00
		01/04/06	Respond to initial inquiries on sale motion and serve Exhibit 1 by email.	0.70	250.000	175.00
		01/17/06	Return calls and emails to Storm regarding auction.	0.60	250.000	150.00
		01/17/06	Confirm receipt of Robertz deposit and followup with his counsel on further assurances.	0.40	250.000	100.00
		01/18/06	Coordinate auction details and calls to Storm and Weisbart, email to Freeman.	0.80	250.000	200.00
		01/20/06	Review Zimmer letter, attempt to reply and calls to Smith and Weisbart.	0.60	250.000	150.00
		01/20/06	Telephone conferences Finlay and forward sale pleadings and notice.	0.70	250.000	175.00
		01/23/06	Review Smith email and objection and telephone conferences Mabey and Freeman regarding sale procedures (1.2); docket receipt of Finlay deposit and verification of financial ability (.4).	1.60	250.000	400.00
		01/24/06	Conference call Smith, Tate & Strong regarding sale objection.	0.70	250.000	175.00
		01/30/06	Review Andrackze letter and followup call to Poland to interview president of subsidiaries.	1.20	250.000	300.00
		02/02/06	Calendar all sale related dates and draft, revise and serve notice of sale hearing, auction and confirmation hearing.	1.50	250.000	375.00
		02/03/06	Review and respond to Smith concerns (.2); telephone conference Robertz	0.40	250.000	100.00

Time Sheet Report

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MCKAY, BURTON & THURMAN**Period: 01/01/00 - 02/24/07**

Case 04-28075

Doc 139

Filed 10/02/06

Entered 10/02/06 10:03:02

Desc Main

Case No: 04T-28075		Case Name: Eurogas		Petition Date: 05/18/04		
Case Type: Assets		Judge: William T. Thurman		341a Meeting: 11/23/04 02:30PM		
Category	Staff Name	Date	Description	Hours	Rate	Total
Asset Disposition	Joel T. Marker	02/07/06	counsel (.1) and call to Jarvis (.1).	3.60	250.000	900.00
		02/08/06	Telephone conferences Finaly (.2) Weisbart (.1) and Inouye (.1) regarding sale hearing; begin trial preparation (3.2)	3.20	250.000	800.00
		02/09/06	Review objections and docket and prepare reply in support of sale motion.	3.70	250.000	925.00
		02/23/06	Prepare for sale hearing and forward necessary information to all parties.	0.40	250.000	100.00
		03/01/06	Telephone conference White and Case attorneys regarding interest in Polska asset.	1.60	250.000	400.00
		03/02/06	Revise proposed advertisement copy and draft and revise notice of auction and sale confirmation hearing.	0.70	250.000	175.00
		03/03/06	Telephone conference Hunt (.1) regarding sale hearing and revise, file and serve auction notice and sale hearing (.6).	0.30	250.000	75.00
		03/07/06	Telephone conference Finlay regarding sale process.	0.50	250.000	125.00
		03/07/06	Telephone conference McCulliss regarding sale process.	3.40	250.000	850.00
		03/08/06	Review all files and assemble due diligence/bid package.	5.80	250.000	1,450.00
		03/08/06	Draft auction disclosures and procedures and forward to all bidders and interested parties.	0.60	250.000	150.00
		03/09/06	Telephone conferences White and Case attorneys and revise bid package.	0.80	250.000	200.00
		03/09/06	Review Tietze letter and affidavit and forward disclosures and procedures for auction.	0.40	250.000	100.00
		03/09/06	Telephone conference Ginsburg and review and respons to document response.	0.90	250.000	225.00
		03/10/06	Telephone conference Andraczke (.2) and review and respond to Storm inquiry (.7).	0.60	250.000	150.00
		03/11/06	Review Benchmark inquiry and forward bid disclosure package.	0.70	250.000	175.00
		03/20/06	Review and respond to Bach inquiry on auction and followup with Bach and Andraczke.	0.80	250.000	200.00
		03/20/06	Provide support to interested parties and prepare auction materials.	0.40	250.000	100.00
		03/20/06	Calls to Weisbart and Ginsberg regarding release issue.	1.20	250.000	300.00
		03/21/06	Telephone conference RWE general manager, research company background and forward due diligence materials.	0.50	250.000	125.00
		03/22/06	Telephone conferences Weisbart and Boley regarding release issue.	0.80	250.000	200.00
		03/22/06	Draft, revise and file response to motion to reconsider.	0.60	250.000	150.00
		03/23/06	Review proposed form of release and conference call Smith and Consolidated			

Time Sheet Report

McKAY, BURTON & THURMAN
Period: 01/01/00 - 02/24/07

Case No: 04T-28075		Case Name: Eurogas		Petition Date: 05/18/04		
Case Type: Assets		Judge: William T. Thurman		341a Meeting: 11/23/04 02:30PM		
Category	Staff Name	Date	Description	Hours	Rate	Total
Asset Disposition	Joel T. Marker		to settle Rule 59 motion (.5); advise chambers of resolution of contested matter (.1).			
		03/24/06	Telephone conference Finlay regarding release.	0.10	250.000	25.00
		03/29/06	Review auction notes and draft order confirming sales.	1.40	250.000	350.00
		03/29/06	Revise draft of order confirming sales (.8) and meeting with Finlay on confirmation hearing (.7).	1.50	250.000	375.00
		03/30/06	Prepare for (4.7) and present sale confirmation evidence and order (1.7) and followup meeting with Finlay (.8).	7.20	250.000	1,800.00
		04/10/06	Telephone conferences Boley, Finlay and Zakiewicz (.3); provide wire instructions and draft closing documents (1.8).	2.10	250.000	525.00
		04/10/06	Further work on closing documents and forward to purchasers.	1.50	250.000	375.00
		04/11/06	Check docket and request clerk confirmation of no appeal (.6); telephone conference Finlay regarding closing (.2); respond to Freeman (.1) and draft form of bill of sale (.5).	1.40	250.000	350.00
		04/11/06	Followup with court clerk on lack of appeal and confirming email to Freeman.	0.50	250.000	125.00
		04/12/06	Telephone conference Finlay regarding obligation to close.	0.20	250.000	50.00
		04/13/06	Telephone conferences Boley (.2) and Finlay (.1) and further closing matters (.6).	0.90	250.000	225.00
		04/17/06	Work on revisions to transfer documents requested by Consolidated.	1.60	250.000	400.00
		04/18/06	Complete closing documents requested by Consolidated.	1.10	250.000	275.00
		04/18/06	Telephone conference Finlay and forward proposed forms of assignments.	0.40	250.000	100.00
		04/20/06	Draft Sinofirst assignments and releases and forward to Finlay for review.	2.80	250.000	700.00
		04/20/06	Call to Finlay regarding documents.	0.40	250.000	100.00
		04/29/06	Review Robertz pleadings to set aside sale to Sinofirst, note concerns and telephone conference Finlay regarding need to respond (.8); forward pleadings to parties in interest and contact Penrod Keith regarding hearing (.3); schedule dates (.1).	1.20	250.000	300.00
		05/02/06	Prepare for deposition and May 4th hearings.	2.10	250.000	525.00
		05/03/06	Prepare for and attend deposition of David Finlay and review documents for hearing.	3.80	250.000	950.00
		05/04/06	Prepare for (3.5) and attend hearing on motions by Robertz and Sinofirst (5.8).	9.40	250.000	2,350.00
		05/05/06	Meeting with Finlay and complete and deliver transfer documents.	1.20	250.000	300.00
		05/08/06	Telephone conference Boley regarding Sinofirst closing (.1); draft and file order	0.80	250.000	200.00

Time Sheet Report

MCKAY, BURTON & THURMAN

Period: 01/01/00 - 02/24/07

Case 04-28075 Doc 139 Filed 10/02/06 Entered 10/02/06 10:03:02 Desc Main

Case No: 04T-28075		Case Name: Eurogas		Petition Date: 05/18/04		
Case Type: Assets		Judge: William T. Thurman		341a Meeting: 11/23/04 02:30PM		
Category	Staff Name	Date	Description	Hours	Rate	Total
Asset Disposition	Joel T. Marker	05/08/06	denying Sinofirst motion to fix assignment (.7).	0.70	250.000	175.00
			Review Weisbart request and draft, revise and file notice of abandonment on litigation files.			
		05/16/06	Telephone conference Finlay and letter to Polish Oil and Gas Ministry.	0.40	250.000	100.00
				99.20		\$24,800.00
	Stephen W. Rupp	02/01/06	Meeting with Trustee, discuss background of case, prepare for sale hearing on February 9th.	1.50	235.000	352.50
		02/07/06	Review case, prepare notes for sale hearing.	1.20	235.000	282.00
		02/08/06	Prepare for sale hearing.	1.00	235.000	235.00
		02/09/06	Prepare for and attend sale hearing; evidence presented.	4.60	235.000	1,081.00
		03/28/06	Prepare for and attend auction; prepare notes.	6.20	235.000	1,457.00
				14.50		\$3,407.50
Subtotal for Category: ASSET DISPOSITION				113.70		\$28,207.50
Claims Administration and Objections	Jeremy C. Sink	06/05/06	Research and begin draft of 2004 exam of accountant.	2.10	135.000	283.50
		06/06/06	Finished subpoena of ex parte 2004 motion filed and served.	1.50	135.000	202.50
		06/08/06	Telephone conference Cass Butler regarding subpoena.	0.10	135.000	13.50
		06/12/06	Telephone conference Cass Butler regarding subpoena; telephone conference Trustee regarding 67 boxes of documents.	0.20	135.000	27.00
		06/20/06	Telephone conference Cass Butler and Henroid regarding examining documents in storage.	0.20	135.000	27.00
		06/22/06	Telephone conference Cass Butler regarding examining documents.	0.10	135.000	13.50
		06/27/06	Telephone conference Cass Butler and Henroid; finalized time to review documents.	0.20	135.000	27.00
		07/05/06	Review accounting records for tax files and claim information.	1.30	135.000	175.50
		07/07/06	Received tax returns and forwarded to Joel Marker.	0.10	135.000	13.50
		08/02/06	Telephone conference Cass Butler regarding document from accounting.	0.10	135.000	13.50
		08/03/06	Telephone conference Jackie Henroid; needs additional documents from Butler.	0.10	135.000	13.50
					6.00	

Time Sheet Report

McKAY, BURTON & THURMAN

Period: 01/01/00 - 02/24/07

Case 04-28075 Doc 139 Filed 10/02/06 Entered 10/02/06 10:03:02 Desc Main

Case No: 04T-28075		Case Name: Eurogas		Petition Date: 05/18/04		
Case Type: Assets		Judge: William T. Thurman		341a Meeting: 11/23/04 02:30PM		
Category	Staff Name	Date	Description	Hours	Rate	Total
Subtotal for Category: CLAIMS ADMINISTRATION AND OBJECTIONS						
Fee/Employment Applications	Joel T. Marker	12/02/05	Draft and revise attorney employment pleadings.	6.00		\$810.00
		05/01/06	Review Miller affidavit of disinterestedness and draft employment pleadings for accountants.	0.60	250.000	150.00
		09/29/06	Prepare time entries (.8) and draft attorney fee application (1.1).	0.70	250.000	175.00
				1.90	250.000	475.00
				3.20		\$800.00
Subtotal for Category: FEE/EMPLOYMENT APPLICATIONS						
				3.20		\$800.00
Total for Case: 04T-28075						
				122.90		\$29,817.50
				122.90		\$29,817.50
Grand Total:				122.90		\$29,817.50